

2017 Year End eMARS User Group Meeting April 26, 2017



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Agenda

Opening Remarks
Treasury Reminders
Personnel
OPS
2017 Year End
New Year Updates
KHRIS Payroll
eMARS 3.11

Ed Ross
Dennis Paiva
John Nix
Joan Graham
Barbara Aldridge-Montfort
Barbara Aldridge-Montfort
Barbara Aldridge-Montfort
Barbara Aldridge-Montfort

Q & A

Treasury Reminders



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Escheated Checks

Send eligible request
for re-issue to
Toni.Donoho@ky.gov
in the State
Treasurer's Office



Stop Payment

- Minimize the risk of a lost check being cashed—Issue a Stop Payment
 - Send the following check information to Stop.Payments@ky.gov
 - Bank Account (GA, UA, TA, etc.)
 - Check Number
 - Payee Name

CR Deposits – Checks, Money Orders, Cash

- Transmittal forms MUST include contact name and direct phone # of individual able to modify/change the CR
- Remove stubs cleanly – avoid torn or folded edges
- Assure the MICR (character line at bottom of check) is complete, legible and not torn
 - Otherwise, not eligible for deposit
- Include adding machine tape showing total is correct and matches CR and Transmittal form
 - Please replace adding machine ribbon to assure it is legible

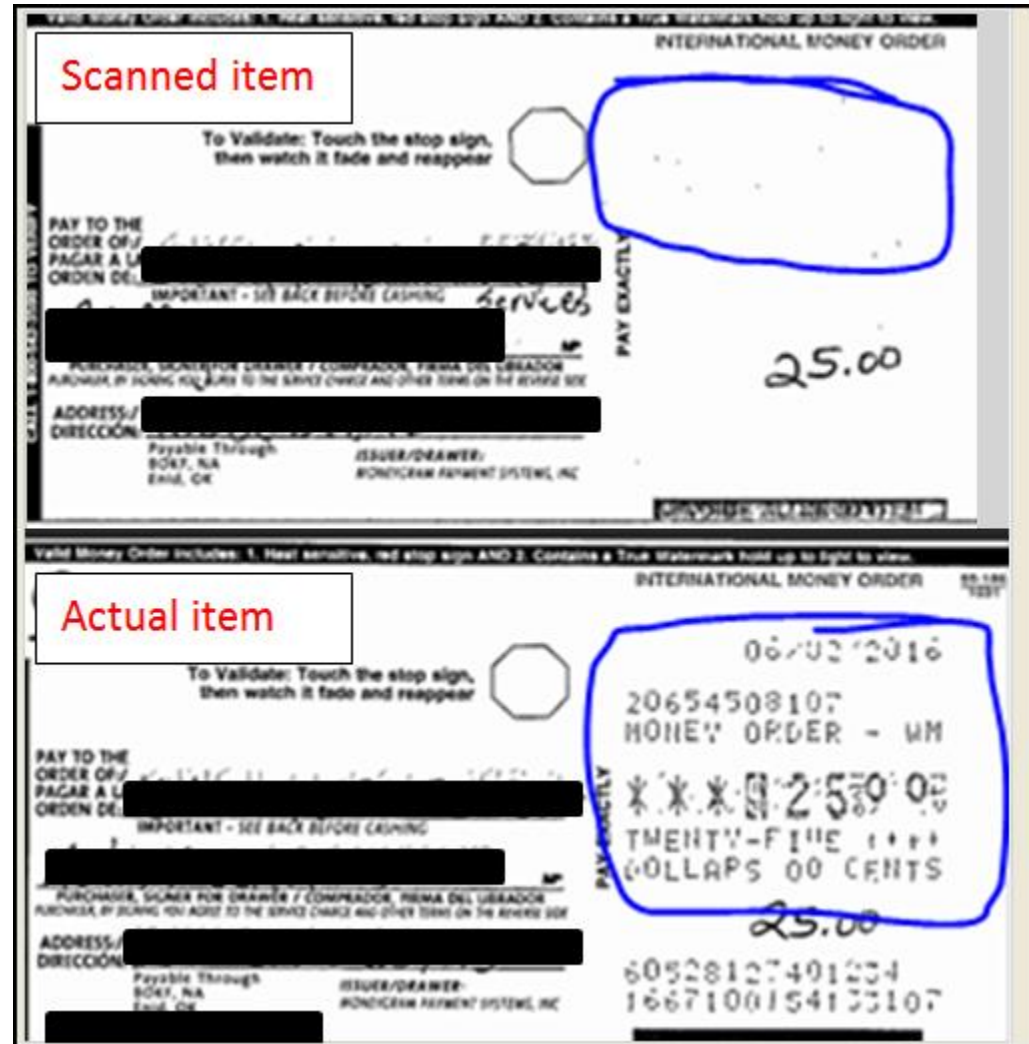
CR Deposits – Checks, Money Orders, Cash

- Verify that written dollar amount and courtesy (number box) match
- One CR may have multiple checks associated with it and include multiple accounting lines
 - It is not necessary to create a CR for each check being deposited
- Be careful to avoid sticky substances on checks

CR Deposits – Checks, Money Orders, Cash

➤ Checks, Money Orders

- Some scanned images are not legible because the print is too light
- Please hand-write (in blue or black ink) the amount on the order or check on the face of the item



CR's – EFT's

- Agency receiving EFT must create CR and have it approved by Treasury to obtain access to the dollars received
- Create CR for the amount anticipated from the EFT deposit and get it approved internally
 - Send email to TreasuryAccounting@ky.gov for anticipated electronic payment. Include the following:
 - Anticipated Date
 - Amount
 - Name of Entity
 - Name of Program/Agency receiving funds

Establishing EFT's Paying You

- Please request the entity/business/individual initiating the payment include an easily identifiable abbreviation of your agency or program in the INDIVIDUAL NAME Field (up to 20 char including spaces)
 - Ex. KY-ABC -- Alcoholic Beverage Control
 - Ex. KY-BOArch – Kentucky Board of Architecture
- If entity is able to send addenda information through their EFT, ask for additional information (up to 80 char including spaces)
 - Invoice number
 - Division of your agency

EFT/Account Fraud Awareness

ALWAYS verify account information through a known telephone number when receiving payment information via email and or fax, especially if different than anticipated



Fiscal Year Close

- Submit 0100 Fund and 1100 Fund deposits (CRs) as early as possible
 - Must be posted by June 30
 - Please do not wait until last minute
- All other funds may be deposited using Period 13 up to Friday, July 7
 - Please do not wait until last minute

Questions ?



Personnel



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Educational Assistance

In accordance with IRS Publication 15-B, Employer's Tax Guide to Fringe Benefits, up to \$5,250 of educational assistance provided to an employee under an educational assistance program can be excluded from the employee's wages each year. The IRS definition of educational assistance is amounts you pay or incur for your employees' education expenses. These expenses generally include the cost of books, equipment, fees, supplies, and tuition. If an employee receives educational assistance exceeding \$5,250, the value of those benefits above \$5,250 are considered wages and must be reported on the employee's W-2. A W2-C to adjust the Federal, State, Local, Social Security and Medicare taxable wages must be completed for years the employees exceeded the \$5,250 threshold. The employee will have to pay the local tax liability and the employee and employer will have to pay the Social Security and Medicare liability for amounts exceeding the \$5,250 threshold.

Questions ?



Office of Procurement Services



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Service-Disabled Veteran Owned Small Business & Ethnic Minority Owned Business Small Purchase Procedure



Purpose & Goal

- To increase ethnic minority businesses' and service-disabled veteran owned small businesses' (SDVOSB) participation in the procurement process by increasing their opportunities.



Background

- In 2013, at the direction of the Governor's office, OPS initiated the ethnic minority small purchase initiative to promote increased participation and opportunity for ethnic minority businesses.
- During the 2017 regular legislative session, HB161 was enacted to promote increased participation and opportunity for service-disabled veteran owned small businesses (SDVOSB).

Definitions

- “Ethnic minority” means African-American; Hispanic American, Asian Pacific American; Subcontinent Asian American or Native American
- SDVOSB means a small business which is owned by a service-disabled military veteran

Measures of Success

Success =

- ↑ Ethnic minority business & SDVOSB registration in eMARS
- ↑ Quotes issued to ethnic minority businesses & SDVOSB
- ↑ Quotes received from ethnic minority businesses & SDVOSB
- ↑ Number of contracts with ethnic minority businesses & SDVOSB
- ↑ Dollars spent with ethnic minority businesses & SDVOSB

Implementation

- Agencies utilizing their Small Purchase Authority in excess of their one quote limit will solicit at least one quote from an ethnic minority vendor and from a SDVOSB. (*Does not apply to construction.*)
- Agencies will locate ethnic minority & SDVOSB vendors via eMARS.
- Agencies will document award on Request for Quote Determination & Finding (RFQ D&F).

Reports

- HB161 requires the Finance and Administration Cabinet to submit an annual report detailing efforts to assist SDVOSB Small Purchases.
- Reporting of ethnic minority small purchases is currently not required.



PUBLIC PRIVATE PARTNERSHIPS

P3

PUBLIC

- The Commonwealth maintains control of Kentucky's resources and assets

PRIVATE

- Innovative industry expertise leads to efficient stewardship of resources

PARTNERSHIP

- Kentucky amenities are enhanced, taxpayer investment is minimized and decline turns to growth

Legislation

KRS
45A.077

200 KAR
5:355

KRS
175B.020

P3 Initiation

1. Initiated by the Commonwealth
2. Initiated by Unsolicited Proposal

What's a Unsolicited Proposal?

A written application from a person or business for a new or innovative idea submitted to an agency on the initiative of the offeror for the purpose of obtaining a contract with the Commonwealth.



Unsolicited Proposal Process

1. Notify OPS or DECA to verify FAC Secretary received a copy of the unsolicited proposal
2. Within 90 days, the agency must:
 - Determine not to consider the proposal
 - Submit a RQP3
3. OPS or DECA will issue a P3 Notice
4. After P3 Notice closes, OPS or DECA will provide the agency with responses
5. Within 90 days, agency will submit RQS for RFP, if desired

New to eMARS

- **RQP3** – Requisition for submitting unsolicited proposals
- **P3 Notice** – Document posted to VSS providing notice of the unsolicited proposal and requesting additional submissions
- **Procurement type 27** – For use on RQP3's, P3 Notices, RQS' and RFP's for P3 projects



SMALL PURCHASE AUTHORITY



Small Purchase Authority

- Secretary Landrum is considering all requests
- FAC will issue a Secretary's Order for the new authorities
- Changes will take effect on July 1, 2017
- Agencies must complete training requirements associated with their small purchase authority.

Questions ?



2017 Fiscal Year End



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eMARS Availability

Standard Availability

Monday – Sunday -- 7:00 am through 7:00 pm

Exceptions

eMARS will be unavailable due to encumbrance roll/lapse **Tuesday, July 4.**

Any changes will be posted at the News and Alerts link at:

<http://finance.ky.gov/services/statewideacct/Pages/default.aspx>

OPS Approval Reminders

- OPS rejections slow down approval process
- Review Documents thoroughly prior to submitting for approval
- Ensure all corrections on rejected documents have been completed
- Ensure document has been assembled or re-assembled properly
- Attach all required documentation including the signed and notarized Required Affidavit for Bidders, Offerors and Contractors
- Include *Delivery Date* for goods or services on requisitions



Delivery Orders

- Users are encouraged to create DOs against Master Agreements
 - Sets price of items
- Users should create DO against Master Agreements set to expire on June 30
 - Once the MA has expired neither a DO nor PRC can be created and properly reference the MA
 - PRCs paid against expired MAs (with no DO) have to go to OPS for approval

New Year Table Initialization (NYTI)

- Occurs May 1, Effective May 2
- Creates FY18 records for all **ACTIVE** chart of account elements
- Effective dates on FY18 records will be blank
- Clean Up
 - Add Effective dates to FY18 records if applicable
 - FY17 records added after May 1 may need to be added to FY18, if applicable

FY 17 Pending Encumbrances

- Encumbering documents in *Pending* phase will not roll to FY18
 - ALL FY17 encumbering documents need to be out of *Pending* phase by COB, **July 3**
 - Complete Approval Process
 - Reject Document back to *Draft* phase
- Documents left in Pending phase will be rejected back to *Draft* by the Office of the Controller
- Refer to spreadsheet of pending documents by department located at:

<http://finance.ky.gov/services/statewideacct/Pages/yearendsupport.aspx>

2017/2018 Encumbrance Roll

- Scheduled to begin COB, Monday, July 3, 2017
 - eMARS will be unavailable Tuesday, July 4, 2017
- All **non-capital** encumbrances *greater than* \$1,000 will be established in FY18 on a Modification document
 - User ID **ENCROLL**
- All **non-capital** encumbrances *less than or equal to* \$1,000 will lapse, thus closing the award
 - CBDL Documents
 - User ID **ENCROLL**
- Clean Up
 - Unnecessary encumbrances (2302 *Outstanding Encumbrance Report*)
 - Pending encumbrances by COB July 3

Payments against Encumbrances

- Payments against 2017 encumbrances must be in *FINAL* status by COB, Monday, July 3.
- Payments against lapsed PON2 documents
 - PRC with “Memo” reference to PON2
 - Use the **Year-End Lapse** Cited Authority
- Payments against all other lapsed awards
 - PRC with “Memo” reference to award
 - Use the **Year-End Lapse** Cited Authority

NOTE: Users should make their best effort to get 2017 encumbrances paid or liquidated by COB July 3.

Payment Reminders

- Payment documents submitted but **NOT** approved by COB June 30 will infer **FY18** upon final approval
- Payment documents approved on or after July 1 with the fiscal period (BFY, FY, Period) blank will infer **FY18** upon final approval
- **July 3** – Last day to pay against FY17 encumbering awards
- **July 7** – Last day to pay FY17 expenditures

Coding Period 13

- **Entire Fiscal Period 13 (BFY=2017; FY=2017; Period 13) must be coded**
- **Period 13 (BFY=2017, FY=2017, Period=13) can be coded on the Header Section or on the Accounting Line of the payment document**
 - Fiscal Period (BFY, FY, Period) from Header will infer on all blank Accounting Lines
 - Fiscal Period (BFY, FY, Period) coded on an Accounting Line will override period coded on Header
 - Period 13 must be coded on the Header of PRC1 documents
 - Period 13 must be coded on the Header of PRC2 documents

Applies to non-capital funds

FY 17 Pending Transactions

- Payment documents in *Pending* phase (submitted but not fully approved) affect cash and budget balances
 - ALL FY17, **non-capital**, payment documents need to be out of *Pending* phase by COB, **July 7**
 - Complete Approval Process
 - Reject Document back to *Draft* phase
- Documents left in Pending phase will be rejected back to *Draft* by the Office of the Controller
- Spreadsheet listing pending documents by department

<http://finance.ky.gov/services/statewideacct/Pages/yearendsupport.aspx>

Follow Through

- Review the AD/EFT Exception report to ensure FY17 payments have been disbursed
 - AD/EFT report is posted daily at:
<http://finance.ky.gov/services/statewideacct/Pages/reportingandarchives.aspx>
 - FY17 payments on the AD/EFT Exception report after soft close (July 7) will be closed by the Office of the Controller – **Vendor will NOT receive payment**

Moving/Correcting Expenditures

- A JV2E document should be used to correct expenditures that have incorrectly posted to the wrong Fiscal Period
 - Reduce/credit expenditures (negative amount) in appropriate Fiscal Period and Increase/debit expenditures (positive amount) in the other
 - Remember to code entire fiscal period on each Accounting Line (BFY, FY, Period)
 - Period 13 Soft Close – COB July 7
 - Period 13 Hard Close – COB July 13
 - JV2E's will require Finance approval after soft close, July 7

IMPORTANT

Personnel expenditures
for the last payroll Period
cannot be JVED from
FY18 to FY17.



KBUD 3.11 now live
April 21, 2017



Allotments

- All Allotments must be in the black by the end of the Fiscal Year
- During closeout, agencies should utilize the budget screens in eMARS as reports within eMARS Reporting or MRDB2 are a day behind and do not include pending amounts
 - BQ3LV1 (Appropriation)
 - BQ3LV2 (Allotment)
 - BQ3LV3 (Object Allotments)

Fixed Assets

- Real Property Closing Packages will be sent in mid-August
- Fixed Asset Cleanup
 - Fixed Asset shells \$5,000 and above must be processed by August 21, 2017
- Questions contact:

Jessica Wilkerson

502-564-8769

Jessica.Wilkerson@ky.gov

OR

Joe McDaniel

502-564-7753

Joe.McDaniel@ky.gov

SAS Closing Package Training

- Frankfort
 - June 5 - 6, 2017
 - June 8 - 9, 2017
- Louisville
 - June 7, 2017
- Please contact your eMARS Training Team Lead (TTL) for registration

Key Dates

- Period 12 Soft Close – Friday, June 30
- Period 12 Hard Close – Friday, July 7
- Encumbrance Roll – Tuesday, July 4
- Period 13 Soft Close – Friday, July 7
- Period 13 Hard Close – Thursday, July 13

Questions



New Year



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New Year Procurements

- RQS for new year (FY18) may be submitted to OPS
 - Document comments should state, “Delivery is not desired prior to July 1, 2017”
- PSCs/MOAs for the new year (FY18) may be submitted to OPS
 - Documents requiring a July 1, 2017 effective date should be submitted by Wednesday, June 7

To Encumber or Not to Encumber

- Encumbrances reserve budget for future spending
 - PR05 Event Type – Encumbrance/Accounting
- Encumber only when necessary
 - Ensure encumbrance is fully liquidated with final payment
- Never Encumber more than one FY at a time
- Use PR07 Event Type(non-accounting) for DO/DO2/DO4

New Year Procurements

- Fiscal Year 2018 Procurements cannot include the 2018 Fiscal year until the following criteria is met
 - Documents with a non-accounting event type (PR01, PR07)
 - NYTI has run to load new year COA tables. Effective May 2, 2017
 - Awards may be modified to an accounting event type (PR05, PR06) once the agency's allotments are loaded for 2018
 - Documents with an accounting event type (PR05, PR06)
 - NYTI – Effective May 2, 2017
 - Agency's allotments loaded for 2018
 - Two year contracts should included two commodity lines, one for each year
 - Encumber only one year at a time
- When allowable, document must include entire Fiscal Period on the Header (FY=2018, BFY=2018, **Period = 1**)

Allotments

- ✓ Agencies may begin to submit their 2018 FY allotments any time after May 1
- ✓ Agencies may check the status of their 2018 FY allotments at:

<http://finance.ky.gov/services/statewideacct/Pages/yearendsupport.aspx>

Cash Overrides

ALL agency cash overrides **MUST** be reviewed annually and submitted on a SAS14 to the Office of the State Budget Director



Questions ?



KHRIS Payroll



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Deferred Payroll

- May 16 – May 30 Payroll (PP11) posted on June 8, 2017
 - Accounting lines for health insurance (E123) will be removed from the documents
- E123 accounting lines from May 16 – May 30 payroll will be included on documents with the same document ID with a “P” on the end
 - These documents will be processed on July 1, 2017 as FY 2018 expenditures
- June 1 – June 15 payroll (PP12) will post on July 1 as an FY 2018 expense
- You may **NOT** JV these expenditures from FY 2018 to FY 2017; they must remain in FY 2018

Personal Service Contracts

- Prior to the beginning of each fiscal year – personal service contract information must be updated in KHRIS
- Contract information that is not updated correctly could cause rejects in eMARS and could result in improper posting of the PRC documents
- FY 2018 contract updates must be completed in KHRIS just prior to first pay period in FY2018
- Good communication between accounting staff and human resources staff is essential

Biennial PON2's

Proof of Necessity Agreement(PON2)		Dept: 758	ID: 1600003767	Ver.: 1
Vendor		Vendor Line: 1		Vendor Customer: PZV0008 Legal Name: BARBARA J A
	Vendor Line	Vendor Customer	Legal Name	
	1	PZV0008	BARBARA J ALDRIDGE	
From 1 to 1 Total:			First	Previous Next Last

eMARS Vendor Line Number

eMARS Vendor Number

KHRIS FICO - PERSONAL SERVICE CONTRACTOR REQUEST

Requesting Agency Name:		Office of the Controller	
Agency Org #:		10102874	
Requestor:		Donald Sweasy	
Contractor Name:		Barbara Aldridge	
PERNR:		00123456	
eMARS Document Department Code:		758	
eMARS Document ID:		16000037467	
eMARS Vendor Number:		PZV0008	
eMARS Vendor Line Number:		1	
eMARS Commodity Line Number:			
eMARS Accounting Line Number:			
KHRIS Effective Date:			

New Biennial PON2's

Commodity
Total Lines: 2 Line: 2 CL Description: FY 2018 Consulting

Line	CL Description	Line Amount
1	FY 2017 Consulting	
2	FY 2018 Consulting	
From 1 to 2 Total: 2		

Accounting
Line:

Line	Line Amount	Line Open
1	\$100,000.00	
From 1 to 1 Total: 1		

General Information
Reference
Fixed Asset Inten

CL Description: FY 2018 Consulting

Warehouse

General Information
Reference
Fixed Asset Intent Reference
Fund

Extended Description

Contractor Name:	Barbara Aldridge
PERNR:	00123456
eMARS Document Department Code:	758
eMARS Document ID:	16000037467
eMARS Vendor Number:	PZV0008
eMARS Vendor Line Number:	1
eMARS Commodity Line Number:	2
eMARS Accounting Line Number:	1
KHRIS Effective Date:	07/01/2016

FY 2018 is the second year of the biennium. Usually, contracts will need to be updated in KHRIS to reflect the proper commodity and accounting lines. This will require a update to the functional area in KHRIS to reference the change (see slide 65).

Personal Service Contracts

- The following are the screens in KHRIS that have to be updated:
 - On the HR Master Record (PA20), 0105 Communication screen for the employee
 - On the Display Position (PO13D), 1018 Cost Distribution screen for the employee's position

KHRIS FICO - PERSONAL SERVICE CONTRACTOR REQUEST			
Requesting Agency Name:	Office of the Controller		
Agency Org #:	10102874		
Requestor:	Donald Sweasy		
Contractor Name:	Barbara Aldridge		
PERNR:	00123456		
eMARS Document Department Code:	758	PA20 - 0105 Communication Screen	
eMARS Document ID:	16000037467	PA20 - 0105 Communication Screen	
eMARS Vendor Number:	PZV0008	P013D - Cost Distribution Screen	
eMARS Vendor Line Number:	1	PA20 - 0105 Communication Screen	
eMARS Commodity Line Number:	2	P013D - Cost Distribution Screen	
eMARS Accounting Line Number:	1	P013D - Cost Distribution Screen	
KHRIS Effective Date:	7/1/2016		

PSC – KHRIS Example

- The following are the screens in KHRIS that have to be updated:
 - On the HR Master Record (PA20), 0105 Communication screen for the employee

03/14/2016	12/31/9999	Z003	Document Code	PON2	
03/14/2016	12/31/9999	Z004	Department Code	721	
04/01/2016	12/31/9999	Z005	Document ID	1600001446	
03/14/2016	03/31/2016	Z005	Document ID	VSN0069	
03/14/2016	12/31/9999	Z006	Document Vendor Line #	01	

- On the Display Position (PO13D), 1018 Cost Distribution screen for the employee's position

Cost Distribution-IT 1018						
Master cost center		5372100000		Office of the Secret		
Cost distribution						
Name	Pct.	Name of aux. account	Functional Area	Svc type	Service cat.	
Office of the Secret	100.00	ADMIN SUPPORT POOL C	VSN00690101			

Questions ?



eMARS 3.11



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The eMARS Team is still evaluating many aspects of this implementation and consulting with agencies. **The following information is tentative and subject to change.**



Anticipated Go-Live 3.11

Financial Pre Go-Live – April 2018

Financial/Reporting Go-Live – July 2018

KBUD Go-Live – April 21, 2017

New Implementation

- Activity will cease in eMARS 3.10 at close of FY2018
 - Version will become view-only
 - Separate database for reporting
- FY2019 activity will begin in 3.11
 - Look and feel will remain constant with the current eMARS
 - Some new functionality
 - COA will remain the same
- Why Implementation vs Upgrade
 - 3 TB of data
 - Clean-up old/bad data
 - Prepare for Advantage 4.0 (major user interface changes)

Clean-Up

- COA, Accounting Templates/Profiles
 - Only bring in *Active* elements
- Workflow Rules
- Buyer Teams
- Cited Authorities
- Pre-Encumbrances
 - SAS Clearing out
- Encumbrances
 - All encumbrances will Lapse at end of FY2018

Vendors

- Vendors will NOT be converted
 - Vendor file has 363,858 records
 - 161,476 Active records (including employees)
- Vendors will re-register
 - VSS available in April 2018 for vendor registration
- Some vendors added by eMARS team
- Vendor numbers will change
- Only employees who travel will be included on VCUST
- Process changes for creating and modifying Vendor records

Documents/Open Items

- No Document conversion
- Financial available in April 2018 for new-year contract creation
- eMARS Team will work with agencies to establish contracts and other open items that cross biennium
- Pre-Encumbrance Event Type PR02 eliminated from RQS documents

Fiscal Year End 2018

- No Period 13 for FY2018
- Soft Close Period 12 – Wednesday June 27, 2018
- Hard Close Period 12 – Saturday, June 30, 2018
- Cut-Over – Both applications down July 1-4, 2018
- Open for Business July 5, 2018
 - eMARS 3.11 FY2019 Ready for Activity
 - eMARS 3.10 Read-Only
- eMARS Team will address mission critical processes with agencies during cut-over period

Questions ?

